

Low-Income Energy Assistance

**Michigan Public Service Commission
Department of Licensing and Regulatory Affairs**

**House Energy & Technology Committee
March 21, 2013**



MICHIGAN PUBLIC SERVICE COMMISSION

Low-Income and Energy Efficiency Fund

- Created in Sec. 10d(6) of PA 141 of 2000 requiring the use of excess securitization savings “to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes.”
- After securitization savings used, LIEEF funded in rates for Detroit Edison, Consumers Energy electric and gas, and MichCon
- Funded statewide low-income energy assistance grants as well as energy efficiency grants



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Vulnerable Household Warmth Fund

- Statutory reference to LIEEF deleted in PA 286 of 2008
- Court of Appeals ruled in July 2011 that MPSC exceeded its statutory authority in continuing to authorize LIEEF funding in rates
- December 2011 Legislation:
 - PA 274 of 2011 authorized the creation of the VHWF to provide payment of bills for electricity, natural gas, propane, heating oil, or any other type of fuel used to heat the primary residence of a vulnerable customer during the 2011-2012 heating season.
 - PA 275 of 2011 appropriated \$58 million for VHWF (\$23 million to MPSC for agency grants and \$35 million to DHS)
 - PA 276 of 2011 required the MPSC to eliminate LIEEF in rates and prohibits future LIEEF funding in utility rates



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Low-Income Households Served

(Low-Income Energy Assistance Grants 2002-2012)

Fiscal Year	Total Grant Funds Awarded	Total Households Served
2002	\$ 27,402,771	59,874
2003	\$ 40,000,000	62,796
2004	\$ 16,000,000	35,739
2005	\$ 35,000,000	172,974
2006	\$ 66,000,000	121,052
2007	\$ 67,000,000	139,385
2008	\$ 57,000,000	116,254
2009	\$ 55,000,000	105,955
2010	\$ 56,000,000	95,082
2011	\$ 58,000,000	114,230
2012*	\$ 23,000,000	26,261
Totals	\$ 500,402,771	1,049,602

Fiscal Years 2002-2011 were funded by the Low-Income and Energy Efficiency Fund

Fiscal Year 2012 was funded by the Vulnerable Household Warmth Fund

* Excludes \$35 million direct appropriation to DHS and households served by DHS



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FY 2013 Energy Grants

- \$60 million appropriated to DHS for Low-Income Energy Assistance
- DHS contracted with MPSC to provide \$27.6 m in grants to agencies:

Organization	Amount Approved
Barry County United Way	\$115,400
Downriver Community Conference	\$1,000,000
Inter-Tribal Council of Michigan, Inc.	\$150,160
Michigan Community Action Agency Assn.	\$3,500,000
Society of St. Vincent de Paul	\$1,500,000
The Heat and Warmth Fund	\$8,291,122
The Salvation Army	\$6,791,122
TrueNorth Community Services	\$6,000,000
TOTAL AMOUNT APPROVED	\$27,647,804



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FY 2014 Budget Recommendation

- \$60 million to DHS for Low-Income Energy Assistance Program
- Recommends funding through gas and electric utility rates collected by MPSC



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Questions?

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